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Foreign Capital In The Russian Economy On The Eve  
OF World War II

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## FOREIGN CAPITAL IN ROMANIA

Tudor Savin

### FOREIGN CAPITAL IN THE ROMANIAN ECONOMY ON THE EVE OF WORLD WAR II

At the beginning of 1939, the economy of Rumania was for the most part controlled by French, English, and American capital. The great banks, the major transport and insurance companies, and the chief industrial enterprises were under the control of the London, Paris, and New York markets. However, the monopolistic capital of the western powers faced the imminent menace of Nazi aggression. The Germans began to take hold economically in Rumania, at times even with the support of leading circles of the Rumanian government parties. What, then, was the part played by foreign capital in the Rumanian economy during this period (after the many years of rule by the "Nationalists" -- members of the "historical" parties)?

#### English Capital

English capital controlled the major petroleum enterprises and metallurgical plants, the large insurance and transport corporations, as well as a number of the chief banks of the country.

In the banking field, English capital was represented in Rumania by the following London banks: Westminster Bank, Ltd., Hambro's Bank, Ltd., Kleinworts Sons and Company, National Securities Corporation, Lazard Brothers and Company, Japhet and Company. The English also had an indirect hand in several credit institutions of Transylvania through the Britisch-Ungarische Bank (Budapest).

At the beginning of 1939, the following were the chief banking institutions with English capital (in chronological order):

Bank of Rumania, Ltd., with a main office in London and a branch

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in Bucharest, had a capital of 300,000 pounds sterling, of which 260,000 pounds (6,500,000 lei) were transferred to its Bucharest branch. This was the oldest bank in Rumania, having evolved from an affiliate organized in Galati by the Ottoman Bank.

Banca Agricola was founded in 1894 by a group of Rumanian capitalists. In 1938, English capital acquired an interest in it in connection with the issuance of new shares calculated to increase the capital from 41,000,000 to 60,000,000 lei. These shares were acquired by the Westminster Bank, Ltd. (London). This interest was transferred one year later to the N. Malacea Company, which also was controlled by an English bank.

Banca de Credit Roman was organized in 1904 by a group of German bankers. After World War I, it was controlled by a group of French capitalists, and in 1920, the English company, Kleinovers Sons and Company (London) acquired an interest in it. In 1931, the Rumanian branch of the Anglo-International Bank (London) was incorporated with it and close relations were established between the two. A block of shares in Banca de Credit Roman was also held by the British Overseas Bank (London). In 1939, the total capital of Banca de Credit Roman was 400,000,000 lei, of which 10-15 percent was held by English interests.

Banca Crissovveloni, an offshoot of the old Bucharest Banking House, was reorganized in 1920 into a joint stock company controlled by the London Hambros Bank. Its total capital was 100,000,000 lei.

Banca Anglo-Romana, organized in 1921 by English capital, had a capital of 100,000,000 lei.

Societatea Bancara Romana was created in 1929 for the purpose of taking over the functions of the Rumanian branch of the Dresden Bank. Among its founders was the S. Japhet and Company, Ltd., of London. In 1939, its capital totalled 200,000,000 lei.

Creditul Agricol Ipotecar al Romaniei, organized in 1931 with the participation of a group of foreign banks, including Hambro's Bank and

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Lazard Brothers and Company (London). Its capital totalled 330,000,000 lei;

The following banks with combined English and Hungarian capital operated in Transylvania:

Casa de Pastrare a Judetului Bihor (Savings Bank of Bihor District) in the city of Oradea, was organized in 1872 with a capital of 50,000,000 lei. Its shareholder was the National Securities Corporation, Ltd., (London);

Banca de Agricultura si Casa de Pastrare, a joint-stock company, was organized in 1894 in Cluj and controlled by the Britisch-Ungarische Bank (Budapest). Its capital totalled 40,000,000 lei;

Banca de Scont din Targu Mures, a joint-stock company, was founded in 1900 and also was connected with the Britisch-Ungarische Bank. It had a capital of 29,100,000 lei;

Banca Timisoarei, a joint-stock company, was created in 1906 and was also controlled by the Britisch-Ungarische Bank of Budapest; its capital was 62,500,000 lei;

The Prague Anglo-Czechoslovakian Credit Bank had a branch in Bucharest.

In the petroleum industry, English capital, in collaboration with Dutch, took the leading position at the beginning of 1939. English trusts and the international Anglo-Dutch trust, Royal Dutch-Shell, controlled more than one third of all the capital invested in the petroleum industry of Rumania.

Astra Romana, largest petroleum enterprise in Rumania, founded in 1910, had a capital of 2,034,000,000 lei in 1939 and was controlled by the Royal Dutch-Shell Trust which held the lion's share of the stock. Control was exercised through the Dutch sister enterprises of the trust -- N. F. de Bataavsche Petroleum Maatschappij and N. F. Koninklijke Nederlandsche Maatschappij tot Exploitatie van Petroleumbronnen in Nederlandsch

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Indie (The Hague). Astra Romana, in turn, controlled the following companies: Distributia, Aramaz, and Sospire (in Bucharest) and Petrole (in Sofia).

Steaua Romana was founded in 1896 by Austrian capital and in 1903 was acquired by a German bank. After the First World War, it was transferred to control by Anglo-France-Rumanian capital in accordance with the San Remo Convention. English interests were represented in Steaua Romana British. The joint-stock company in 1939 had shares in the Distributia, Sulfur, and Atelierele Metalurgice Campina enterprises. It also had foreign interests and branches, the following in particular: S. A. Italiana Importazione Olii (Genoa), Deutsch-Rumänische Mineralöl (Vienna), Steaua Magyar Keolash (?) R. T. (Budapest), Steaua, Ltd. (Athens), Steaua (Sтамбул), Petrole (Sofia). For ocean transport of petroleum products, the Steaua Romana Company had three tankers which, on the eve of the war, were chartered as the Service Economique Française de Londres. In 1939, the company's capital totalled one billion lei.

The Unirea Joint-Stock Company was founded in 1921. In 1938, its capital was 362,100,000 lei, which was increased in 1939 to 720,000,000 lei by incorporation with Rumanian Consolidated Oilfields, Ltd. Almost all the shares were held by the Phoenix Oil and Transport Company, Ltd., the General Mining and Finance Corporation, Ltd. (London), and the Arbanash Rumanian Oil Company, Ltd. (London). The Unirea Company included some of the oldest oil enterprises of the country: Beciu Oilfields, Ltd. (Rumania), Arnheemsche Petroleum Maatschappij, Stavropoleo-Moreni, Traian, etc.

The Sospire Company was organized in 1920 and had a capital of 260,000,000 lei in 1939. Prior to 1934, it was controlled by New Consolidated Gold Fields, Ltd. (London), but later was transferred to control by Astra Romana and Romana-Americana.

The Gura Ochitei Joint-Stock Company (formerly the Romano-Africana)

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was organized in 1926 and in 1939 had a capital of 100,000,000 lei. It was controlled by the Speiss Petroleum Company of London, having formerly been under the control of the Service Petroleum Company, Ltd. of London which controlled the Sondrum Company.

English capital also had interests in the Rumanian oil companies of Sacia Romano Petroleum Syndicate, Ltd., the Shell Company of Rumania, Nafta Romana, as well as other small enterprises.

In the metallurgical industry, the English trust, Vickers, Ltd., controlled the largest Rumanian plants.

Uzinele de Fier si Domeniile din Resita was organized in 1920 on the basis of a transfer in the form of a share of the entire property of the Licensed Austro-Hungarian Company of State Railroads; it was controlled by Vickers, Ltd. of London, together with a group of French and Rumanian capitalists. In 1936, important changes were made by a new redistribution of capital. A large block of shares was distributed between the joint-stock companies of Compagnie Europeenne de Participation Industrielle (CEPI) of Monaco and Zbrojevka, Brno. CEPI was controlled for the most part by Vickers and Zbrojevka by the Skoda trust. The shares of Resita which belonged to the Czechoslovak trust were deposited in the Westminster Bank, Ltd. of London, where they were blocked after the start of the war in the fall of 1939.

Zbrojevka, Brno, which was transferred at that time to German capitalists, obtained a license in Rumania based on the nullification of the shares blocked in England and the issuance of duplicates of those shares.

In 1939, Resita had a capital of 1,125,000,000 lei, most of which was held by the royal house, the Rumanian government, Zbrojevka, Brno. CEPI, Societe Continentale de Gestion (Monaco), and Bank of Rumania, together with Banca de Credit Roman, Banca Albina-Sibiu (Rumania), Banca

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Comerciala Romana, Banca Romaneasca, Banca Crisoveleoni, etc.

In 1939, Resita had the following sister enterprises: Astra-Vagoane, Margina-Resita, and Minopirit. It also had interests in Uzinele Metalurgice D. Goldenberg si Fil, Industria Fierului, Metalurgia, Dipositele Centrale de Fierarie, Industria Optica Romana, Carporiz, Societatea Anonima a Cailor Ferate Locale Oravita-Bocsa-Resita, and Uzinele Metalurgice din Copsa Mica si Cugir.

Uzinele Metalurgice Unite Titan, Nadrag, Kalan\* was founded in 1924 by the merger of the Titan (Galati), Kalan (Budapest), and Nadrag (Vienna) companies. In 1939, it had a capital of 500,000,000 lei, part of which was owned by the Vickers Trust. Later, the English shares were handed over to Bessler, Fechter, and Company (London) and the Swiss Bank Corporation. English capital, according to official data, constituted 12 percent of the total capital of the company.

Titan, Nadrag, Kalan had interests in the CEPI Joint-Stock Company and in the following enterprises: Societatea Anonima Forestiera din Nadrag, Ciclop (Galati), Industria Fierului, Uzinele Metalurgice D. Goldenberg si Fil, Magazinele Unite de Fierarie, Ferrum (Jassy), O. Ausschnitt si Compania (Galati), etc.

The joint-stock company, Uzinele N. Malacsa, founded in 1928, was also controlled by English capital through the Westminster Bank, Ltd., which in 1938 bought all the new shares totalling 100,000,000 lei when the company's capital was increased from 100,000,000 to 500,000,000 lei. Uzinele N. Malacsa in turn had an interest in Societe pour la Centralisation de l'Industrie (Centrind) of Monaco, and in the Resita and Astra-Vagoane plants.

English capital also had interests in several of the smaller metallurgical plants, particularly in the Anglia Steel Beam Factory in Ploesti which was founded in 1925 by a group of Englishmen headed by Percy R. Clark.

\*The Associated Metallurgical Plants Titan, Nadrag, Kalan (Editor's note).

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In the textile industry, English capital controlled the following enterprises:

Romanofir, a joint-stock company for production of thread, was founded in 1935 with the participation of the Coates Trust (Glasgow). In 1939, the majority of the shares were held by the Central Agency, Ltd. Its capital totalled 125,000,000 lei;

Industria Textila Aradana was founded in 1902. In 1939, it was transferred to the control of a single English group, and later to American control. Its capital was 60,000,000 lei;

The joint-stock company Tesatorille Reunite was also connected with English capital through British and Overseas Textile and had a capital of 45,000,000 lei;

Coddington and Lamb (Bucharest), the oldest English firm, was an affiliate of the London company of the same name and had a capital of 200,000,000 lei;

Uzinole Textile Sfintul Gheorghe was organized in 1939 by the purchase of the factory of Heinrich Klinger by a group of English and Swiss businessmen headed by representatives of the Anglo-Swiss Bank (Zurich). It had a capital of 100,000,000 lei. Later, it was transferred to American control.

In the chemical industry, the large British Empire Chemical Trust (London) in 1924 participated in the organization of Prima Societate Romana de Explozivi (First Rumanian Company for Production of Explosives), and in 1936, participated in the creation of the Nitramonia Nitric Acid Plant. Prima Societate Romana de Explozivi in 1939 had a capital of 110,000,000 lei, 20 percent of which was held by the Empire Chemical Trust and 20 percent by the Czechoslovakian branch of the international Dynamit-Nobel Trust. Later, the shares held by the Empire Chemical Trust were transferred to the Austrian branch of the Dynamit-Nobel Trust, the main office of which was located in Vienna, although at that time England had

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already entered the war against Germany. The Nitramonia Plant was founded in 1936 with the participation of Prima Societate Romana de Explozivi and the Dynamit-Nobel (Bratislava) and Empire Chemical trusts. In 1939, its capital totalled 70,000,000 lei. The shares belonging to the Empire Chemical Trust were transferred to Österreichische Dynamit-Nobel (Vienna).

Phoenix, a factory producing industrial oils and founded in 1903, was closely connected with the English trust, Lever Brothers and Unilever, Ltd., through the European concern, Schicht, which controlled chemical enterprises in almost all European countries, having branches in Austria, Germany, Yugoslavia, Hungary, Poland, Holland, and Czechoslovakia. The English trust controlled, among others, such banks and insurance companies as the Prague Anglo-Czechoslovakian Credit Bank, Anglo-Elementar Versicherungs Allgemeine Gesellschaft in Vienna, and others. The Phoenix Company in 1939 had a capital of 60,000,000 lei.

Fabrica Stella, a soap factory founded in 1915, was in the sphere of influence and interests of this same English trust. The company had a capital of 25,000,000 lei.

Fratii Neumann, a steam mill, alcohol plant, and yeast factory founded in 1922, were transferred in 1938 to control by English capital. This company had a capital of 50,000,000 lei.

In the timber industry, English capital participated in the large Carpatina enterprise through the London banks of Westminster Bank, Ltd., and S. Japhet and Company. The Fagul Aburit Company also operated with English capital.

The firm Hilton Gibbs, Hutchison, Scott, and Company (London) owned a block of shares in the Orezul (Rice) grain-milling enterprises, while the British and Danubian Manufacturing Corporation, Ltd., owned a block of shares in the Fratii Wurm firm.

English capital also had interests in other industrial enterprises, but they were of secondary importance.

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Insurance was another field in which English capital was widely represented. The Anglo-Rumanian joint-stock insurance company, Britannia, was founded in 1924 with the participation of the Commercial Union Assurance Company and the Excess Insurance Company, Ltd., and in 1939 had a capital of 15,000,000 lei.

Caledonian Romana, with a capital of 8,000,000 lei, was also controlled by an English firm.

The Metropola Joint-Stock Company was founded in 1928, had a capital of 8,000,000 lei, and cooperated with Lloyds of London.

Branches of the large English insurance companies, Sun Insurance Office (London) and Norwich Union, also operated in Rumania. In 1931, the Sun firm organized the Dorna Vatra Insurance Company in Rumania which in 1939 had a capital of 15,000,000 lei. In addition, almost all insurance companies in Rumania were connected with the English market where, according to established tradition, the large-scale reinsurance transactions are conducted.

The large transport enterprises of Rumania also had close business relationships with specialized English firms. Thus, for example, the transport company, Schenker si Compania, a sister enterprise of the international trust of the same name, was subordinate to Schenkers, Ltd., of London, and the Intercontinental firm, operating in Bucharest, was closely connected with the London firm of Lep, Transport, Ltd.

On the whole, English capital controlled the chief branches of the Rumanian economy.

#### American Capital

American capital appeared in the Rumanian market at a much later date than other foreign capital. It founded only a few enterprises, but those were of great importance.

In the petroleum industry, American capital in 1904 founded the Romano-Americana Joint-Stock Company which was controlled by the international trust, Standard Oil Company of New Jersey, which in 1939 held

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almost all of the total capital of 900,000,000 lei. In 1934, Romano-Americana, together with Astra Romana, established control over Sespire.

In 1929, another large-scale American trust, the Vacuum Oil Company, organized a branch in Rumania which at first was engaged in the trade in petroleum products. In 1934, the Vacuum Oil Company acquired control of the Fotogen Refinery in Brasov, and later absorbed this enterprise by a merger. In 1939, the Rumanian branch of the Vacuum Oil Company had a capital of 30,000,000 lei and Fotogen, 6,000,000 lei.

Other petroleum companies with American capital in 1930 included Reveil, with a capital of 5,000,000 lei, and Globul, with a capital of 3,000,000 lei.

Another enterprise created by American capital was Societate Anonima Romana de Telefoane, founded in 1930 on the basis of a contract concluded between the Ministry of Public Works, Communication, and Transportation and the International Telephone and Telegraph Corporation (New York). On the basis of this contract, an American joint-stock company obtained a concession for operation of the telephone network of Rumania. The basic capital of this company totalled one billion lei. The shareholders were as follows: Louis J. Proctor, Vice-President of the International Telephone and Telegraph Corporation, 939,700,000 lei; Samuel O. Ordway of New York, 100,000 lei; Geoffrey A. Ogilvie, 100,000 lei; Earl H. Thomson of New York, 100,000 lei; Banca de Credit Roman, Banca Marmaros, Blank si Compania, and Banca Crissoveloni, approximately 20,000,000 lei. In 1938, the capital of this company had increased to 1,500,000,000 lei.

Societate Anonima Romana de Telefoane, in turn, participated in the Standard firm which produced radio equipment and telephones, and was organized in 1930 with the participation of the International Electric Corporation. In 1937, Standard merged with the Fabrica de Telefoane, absorbed it, and increased its capital at first from 50,000,000 to 55,000,000 lei, and later to 70,000,000 lei.

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In 1931, the International Telephone and Telegraph Corporation invested capital in the credit institution, Creditul Agricol Ipotecar al Romaniei, of which more will be said in following chapters.

In 1935, the international Ford concern organized its Rumanian branch, Ford Romana, which opened a large automobile assembly plant in Bucharest. In 1939, it had a capital of 90,000,000 lei.

Other enterprises with American capital founded in the period 1937-1938 include the Irving Parachute Factory with a capital of 3,000,000 lei, in which the Irving Air Chute Company (Buffalo, USA) participated, Industria Romana Mecanica si Chimica, Compania Electrocontabila Watson, and Masini de Cusut Singer. These enterprises will also be discussed in later chapters.

#### French and Belgian Capital

Along with English capital, French capital, often in close cooperation with Belgian, occupied in 1939 a leading place in the Rumanian economy, holding 65 percent of all foreign capital invested in that economy.

In the banking field, French capital was represented by the following companies: Banque de l'Union Parisienne, Banque de Paris et des Pays-Bas, and Banque de l'Europe Centrale. The latter was the successor to Austrian banking interests. Belgian capital was represented by Credit General Liegeois, Credit Anversois, and other credit institutions.

Banca Comerciala Romana was founded in 1906 by the reorganization of the old banking house, S. Halfen si Fil. In 1939, it had a capital of 300,000,000 lei, of which the majority of the shares was held by the following foreign banks: Banque de l'Union Parisienne, Banque de Societe General de Belgique, Banque d'Anvers, Credit General Liegeois, and Credit Anversois.

Together with English capital, substantial French capital, represented by Banque de Paris et Pays-Bas and Banque de Pays de l'Europe Centrale, was invested in Banca de Credit Roman.

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Banca Marmores -- Blank si Compania also was connected with the Banque de Paris et des Pays-Bas. In 1939, it had a capital of 125,000,000 lei.

French and Belgian capital was invested in the Creditul Agricol Ipotecar al Romaniei, which has already been mentioned, through the Banque de Paris et des Pays-Bas.

Banca Timisoarei (Timisoara) was controlled both by an English financial group and also by a Belgian group through Banque Lambert (Brussels).

Banca Oltuzul, a joint-stock company in Bacau with a capital of 20,000,000 lei, was closely connected with a Franco-Belgian group.

In the petroleum industry, Franco-Belgian capital in 1939 held third place in importance after Anglo-Dutch and Rumanian capital and controlled approximately 23 percent of all capital investments in this branch of industry.

The chief companies operating with French and Belgian capital in 1939 were the following:

Steaua Romana was controlled by a French financial group together with English and Rumanian capital. The French group consisted of Banque de Paris et des Pays-Bas and Omnium Francais de Petrole;

Concordia, a joint-stock company, was founded in 1907 by German capital, was transferred after the First World War to control by the Swiss company, Terra, and later was brought under the control of the Franco-Belgian Trust, Compagnie Financiere Belge de Petrole (Petrofina) in Antwerp. In 1937, it was merged with Electrica, and in 1938 with Schitul Golesti and Lignitul, in which the Franco-Belgian trust, Hydrofina, had an interest. In 1939, the capital of Concordia was 1,015,000,000 lei. The company owned oil-bearing lands, oil refineries, as well as oil pipe lines, storage facilities, tank cars, and tankers. It also

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operated a metallurgical plant, coal mines, and a number of electric power stations. It participated in the gold enterprise, Concordia Aurifera, and in Muntenia Petrolifera;

Columbia was founded in 1905, and in 1939 had a capital of 380,000,000 lei. It was controlled by the French group, Omnium International des Petroles (Paris);

IRDP, founded in 1920, was controlled by SIPER (Paris) which, in 1939, owned 25 percent of the capital totalling 600,000,000 lei. This company worked in close cooperation with the Petrol Bloc Company which owned approximately 10 percent of its capital;

Societate Anonima Romano-Belgiana de Petrol, organized in 1920, had a capital of 325,000,000 lei in 1939. A large share of its capital was held by a French and Belgian group in which Leon Venge, General Director of the Petrofina Trust, was a participant. This company was a shareholder in the Sondrum Company;

Sondrum, a joint-stock company, was founded in 1921, and in 1939, had a capital of 100,000,000 lei, of which 75 percent was owned by Societate Anonima Romano-Belgiana de Petrol, and 25 percent by the Speiss Petroleum Company of London;

Petrolbina, organized in 1920, had a capital of 175,000,000 in 1939 belonging to a Franco-Armenian group;

Petrolina, organized in 1928, in 1939 had a capital of 50,000,000 lei, of which 75 percent was Rumanian capital and 25 percent Belgian;

Forachi Romaneasca, founded in 1922, in 1939 had a capital of 50,000,000 lei. It was controlled by the Belgian company, Petrole de Roumanie;

Starnafta, organized in 1926, in 1939 had a capital of 60,000,000 lei, all of which was held by the Compagnie Petrolifere Starnafta (Paris);

Xenia, founded in 1936 by a group of Rumanian capitalists headed

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by stockholders in the Redeventa Joint-Stock Company, had a capital of 50,000,000 lei, of which 87 percent belonged to Essences et Carburants de France (Paris);

Forage Lemoin, organized in 1923, in 1939 had a capital of 44,000,000 lei, of which the major part was owned by a single Belgian group;

Cometa was founded in 1916. In 1939, the major share of its capital of 39,949,000 lei was held by Compagnie Continentale d'Importation (Antwerp);

Romolia, in operation since 1935, had a capital of 20,000,000 lei and was controlled by the Belgian company, Belgolia;

Telega Moreni (1926) had a capital of 7,500,000 lei and was controlled by Compagnie de Petrole de Moreni;

Geonafra (1921) had a capital of 7,200,000 lei, the greatest part of which was held by the group, Societe Geologique et Petroliere Geonafra (Brussels);

Nationala-Miniera (1924) was controlled by Petrole Regina (Paris) and had a capital of 5,000,000 lei;

Muntania Petroliera was controlled by the Conkordia Company and had a capital of 3,000,000 lei;

Metal Petrol and Continentala Petroliera also were founded by French capital, and Coroana Romana, Societatea de Petrol Roman, and Saghelit were founded by Belgian capital.

In 1939, French capital had interests in the following gold industry enterprises in Rumania:

Societe Francaise de Mines d'Or de Transylvanie, with its main office in Paris and a capital of 7,500,000 French francs, owned gold mines in Rumania. In 1936, a portion of the capital was transferred to the control of the Mica Company;

Societe Anonyme Francaise Mines d'Or de Stanizha (?), with a main office in Paris, was also connected with the Mica Company. In 1937, this joint-stock company negotiated with a group of English capitalists who

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wanted to acquire the entire enterprise;

Concordia Aurifera was founded in 1938 with a capital of 30,000,000 lei. Franco-Belgian capital had an interest in it through the Concordia Company;

Aurum was created in 1921 as a result of the nationalization of an Hungarian gold company. In 1932, a Franco-Swiss group, headed by the Colomine Joint-Stock Company (Geneva), acquired a large block of shares. In 1936, the company discovered molybdenum deposits in Beita, and in 1938, the Molybden Joint-Stock Company, with a capital of 10,000,000 lei of which 45 percent was held by Aurum, was organized to mine these deposits.

Franco-Belgian capital was represented in the coal industry by the following enterprises:

Concordia, the petroleum company mentioned above, also operated coal mines which formerly belonged to Schitul Golesti and Lignitul and were acquired in 1938 by Concordia;

Creditul Carbonifer, founded in 1920, was controlled, as was Concordia, by the Franco-Belgian trust, Petrofina, which owned a large share of the capital (110,000,000 lei);

Industriile Miniere din Banat, organized in 1921, in 1939 had a capital of 48,750,000 lei, of which the greatest share was held by Societe Generale de Mineral (Brussels);

Minele Sorecand, a joint-stock company founded in 1903, in 1939 had a capital of 30,000,000 lei and operated in close harmony with the Belgian group, Electrobél (Brussels);

French capital also had interests in the zinc industry through Prima Uzina de Tink si Metale Neferoase, founded in 1936 by the Franco-Polish company, Societe Anonyme de Mines et Usines Zinc de Silesie, which owned more than 50 percent of the capital of 10,000,000 lei.

French capital took part in the creation of several of the oldest metallurgical plants in Rumania:

The joint-stock company of metallurgical plants, Lemaitre, emerged

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from the old enterprises, founded in 1873 by the Frenchman, Lemaitre, which were reorganized in 1916 into a new joint-stock company by the bank, Societe Generale de Belgique (Brussels). In 1929, this company entered into cooperation with Brunn Königsfelder Maschinenfabrik (Brno, Czechoslovakia) and with Etablissement Delonals-Belville (Paris). In 1939, the company's capital totalled 65,000,000 lei;

Societatea Franco-Romana de Material de Drum de Fier, founded in 1921 with the participation of the firm, Societe Francaise d'Etudes et Entreprises, in 1939 had a capital of 150,000,000 lei;

The Rumanian joint-stock company, Fiche, was founded in 1920 with the participation of the Parisian plants of the same name. It had a capital of 6,500,000 lei.

French capital was invested in the construction of the first aviation plant in Rumania, Industria Aeronautica Romana (IAR), in Brasov which, in 1938, became a state enterprise with the acquisition of all the shares by the Rumanian government. Nevertheless, IAR continued to cooperate with French aircraft plants.

French capital also had some connection with plants of the Resita Company through the Licensed Austro-Hungarian Company of State Railroads. These relations, however, were weakened as the influence of the Vickers Trust grew.

French capital had considerable interests in the textile industry:

Societatea pentru Industria Textila, largest textile concern in Rumania, was founded in 1885 with the participation of French capital. In 1939, over half of its capital of 450,000,000 lei was owned by Financiere Textile pour la France et l'Etranger. This company had a factory in Buhusu and also operated factories in Prejmer, Brasov, and Jassy. The company also included the textile factories of Azuga (Azuga), Dorobantul (Ploesti), Saturn (Bucharest), and Textila-Ploesti (Ploesti);

Gallia, a silk textile factory, was founded in 1930. In 1939, its capital of 10,000,000 lei was almost completely controlled by the Genotex

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Joint-Stock Company (Lyons, Geneva) and by the entrepreneurs, Rene Dubois and M. Buie in Lyons;

Bumbacheria Romaneasca was founded in 1935 with the participation of the industrialists Pierre Collier of Tourcoing, Henri Quoiane, and Paul Lambert of Armentieres. In 1939, this company had a capital of 50,000,000 lei, almost all of which was owned by the French industrialists;

Compania Generala a Industriilor Textile was organized in 1936 with the participation of the Compagnie General des Industries Textiles (Roubaix). In 1939, it had a capital of 50,000,000 lei;

Fire DMC was founded in 1936 with the participation of the Dollfuss-Miege et Compagnie in Mulhouse. It had a capital of 25,000,000 lei;

Textila-Ploesti was organized in 1938 with a capital of 50,000,000 lei. Its shareholders were the English, French, and Polish firm, Societe Anonyme des Etablissements Motte, Meillasseux et Collier, and several Rumanian enterprises;

Textila Franco-Romana, formerly Philippe Blerman si Fil, was founded in 1908 and also was connected with French capital.

Belgian capital controlled several of the major chemical enterprises of Rumania:

Societatea Anonima a Uzinelor Solvay din Romania, founded in 1895, at first had one factory in Ocna-Muresului (Uicara region), and then a second factory in Turda. In 1939, the company had a capital of 400,000,000 lei. This enterprise was controlled by the international trust, Solvay (Solvay et Compagnie and Mutuel Solvay, Brussels);

Marasesti, a joint-stock company founded in 1901, in 1939 had a capital of 100,000,000 lei and owned chemical products factories in Marasesti, Valea Calvareasca, and Brasov. Its capital was owned by Societe, a Responsabilite Limite pour la Soude et l'Industrie Chimique (51 percent of the shares) and Verein für Chemische und Metallurgische Produktion (49 percent of the shares);

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Societatea Anonima dela Colentina, founded in 1902, purchased the old glucose factory in Colentina which was founded by Societe Anonyme d'Industrie Chimique (Antwerp). Up to 1921, a large block of shares was held by Societe Industrielle, Belgo-Roumaine. In 1921, Banca Cerealistilor (Bucharest) acquired a large block of shares. In 1939, the company's capital totalled 50,000,000 lei.

French capital founded a number of pharmaceutical laboratories and cosmetic and perfume factories in Rumania. Laboratorul Farmaceutic Lutetia, founded in 1937, had a capital of 12,000,000 lei. Its chief shareholders, controlling almost all the capital, were: Institut de Serotherapie Homoeopathique de Roumainville, Laboratoire Bottu, Dr. Desbas, Fournier Freres, G. Beytu(?), Societe de Therapie Biochimique, Laboratoire Gobet, Societe des Laboratoires de Proxitage (Paris), Pinard et Compagnie (Courbevoie), etc.

Produsele Boto was also founded in 1937 by the French enterprise of the same name and had a capital of 2,000,000 lei.

The following Bucharest cosmetic and perfume factories cooperated technically and financially with French enterprises: Legrin, Germandrais, Coty, D'Orsay, Parfum-Lubain, Ravel, Roget-Gallet, Pivert, etc. These firms actually imported essences and finished products from France and packaged them in Rumania.

The oldest glass enterprises in Rumania were under the control of French capital, and of the Saint-Gobin Trust in particular:

Fabrica de Sticla Ardoleana, a joint-stock company, founded in 1928, in 1939 had a capital of 66,000,000 lei and was controlled by Manufacture des Glaces et Produits Chimiques de Saint Gobin, Chauni et Sire (?) (Paris) and by the enterprises associated with it: Nieuwe Nederlandsche Maatschappij tot Verwaardigen van Spiegelglas (Sas van Ghent, Holland) and Compania General de Vidrierias Espanolas (Spain);

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Fabrica de Stiela Turnata si Presata, founded in 1929, in 1939 had a capital of 18,000,000 lei and was also controlled by the Saint Gobin Trust;

Fabrica Mecanica de Geamuri, founded in 1929, in 1939 had a capital of 20,000,000 lei and was controlled by the French trust through Fabrica de Stiela Ardeleana;

Fabrica de Geamuri, Cristale si Oglinzi de Securitate, organized in 1935 with a capital of 1,100,000 lei, also was in the sphere of interest of the French trust;

Industria Optica Romana was founded in 1936 with a capital of 10,000,000 lei controlled by Societe des Anciens Etablissements Barbier, Benard et Turenne and Societe Optique a Precision de Levallois.

The largest cement plants in Rumania were under French and Belgian control:

Societatea de Cimenturi din Europa Orientala Portland Artificial, with its main office in Antwerp, was founded in 1899. It had a cement factory in Cerna-Voda and was controlled by a Belgian group. It participated in Societatea de Ciment I. G. Cantacuzin and in Calcarul;

Societatea de Ciment I. G. Cantacuzin, founded in 1920, in 1939 had a capital of 100,000,000 lei, a large part of which was held by Societatea de Cimenturi din Europa Orientala Portland Artificial. It had a factory in Braila;

Cimentul Titan, founded in 1920, operated a cement factory in Titan and a gypsum factory in Turda. In 1939, the company had a capital of 500,000,000 lei and was controlled by a French financial group. It had an interest in Prima Fabrica de Cheramiz cu Gaz Metan, in the Etna Gypsum Factory, and in the Fana and Favat refractories plants in Alesd and in Turda.

Belgian capital controlled several of the largest sugar plants in

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Rumania through Societe Generale de Sucrierie et Raffinerie en Roumainie. This enterprise, with its main office in Brussels, controlled the Rumanian joint-stock company, Danubiana, the Bulgarian joint-stock company, Ruschuk, and the Italian company, Pontelongo. Danubiana, founded in 1914, acquired sugar plants in Giurgiu, Roman, Saskut, and Yarasesti. In 1939, this company had a capital of 850,000,000 lei and was a part of the sugar cartel, Societatea pentru Comerțul Zaharului, owning 27.96 percent of the capital of the latter.

The large Franco-Belgian trusts, Electrobél and Hydrofina, controlled numerous electric power stations in Rumania. Electrobél (Compagnie Generale d'Entreprise Electrique et Industrielle, Brussels) was a large Belgian trust with sister enterprises in many European countries. The following enterprises participated in the Hydrofina Trust: Banque de l'Union Parisienne, Banque et Paris et des Pays-Bas, as well as the international trust, Brown Boveri (main office in Switzerland), Banque de Bruxelles, Societe Generale Belge, and Compagnie Generale des Entreprises d'Electricite.

Hydrofina had interests in three large enterprises of Rumania: Electrica, Lignitul, and Ialomita. The first two were merged with the Concordia Petroleum Company, while the third, having sold the electric station in Dobresti, was liquidated. In this way, all the interests and rights of Hydrofina in Rumania were transferred to Concordia.

The Electrobél Trust had capital investments in the following enterprises: Sorecani, Uzinele Electrice Cluj, Uzinele Electrice Turda, and Braila, Tramvai si Iluminat Electric.

In addition to Hydrofina and Electrobél, one French group (Compagnie Nationale d'Eclairage, Paris) had capital investments in Societatea Comunală de Electricitate din Constanta (SCEC).

In the insurance field, French capital was represented by the following enterprises:

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Nationala, founded in 1882, came under French control in 1930 when, with the increase in capital from 10,000,000 to 25,000,000 lei, the entire new issue was purchased by the Parisian insurance companies of Union-Incendie and Union-Vie;

Franco-Romana was organized in 1921. In 1939 it had a capital of 15,000,000 lei, a substantial part of which was owned by the firm of Albert Michel et Compagnie (Paris). This company had close connections with the Compagnie Europeenne de Reassurance (Paris);

Standard Insurance Company, founded in 1930, had a capital of 5,000,000 lei which was held by a group of Armenians living in Rumania and in France.

Czechoslovakian Capital

Czechoslovakian capital made its appearance in Rumania after 1930 and occupied an extremely important position, particularly in the metallurgical industry. All large-scale armament enterprises in Rumania were under the control of the Skoda Trust either directly or through Cehoslovenska Zbrojevka, Brno, in which the Skoda Trust had considerable capital invested:

Uzinele de Fier si Domeniile din Resita was controlled by Cehoslovenska Zbrojevka, Brno; that is, it was controlled indirectly by the Skoda Trust together with the Vickers Trust;

Uzinele Metalurgice din Copsa Mica si Cugir was founded in 1925. These plants were transferred in 1936 to the control of Cehoslovenska Zbrojevka, Brno which purchased the block of shares formerly owned by Vickers. In 1939, the company had a capital of 860,000,000 lei, of which approximately 20 percent was owned by the Czechoslovakian trust;

Noua Societatea a Ateliereilor Vulkan, organized in 1908, was closely connected with Brunn Königsfelder Maschinenfabrik in Brno. In 1939, it had a capital of 100,000,000 lei;

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Metron, founded in 1935, in 1939 had a capital of 60,000,000 lei, half of which was owned by Cehoslovenska Zbrojevka, Brno;

Farola was organized with the assistance of the firm, Compagnie Francaise des Metaux (Paris). In 1936, half of the capital of 50,000,000 lei was acquired by Cehoslovenska Zbrojevka, Brno;

Macazul, founded in 1922, in 1939 had a capital of 10,200,000 lei;

Uzinele Metalurgice Floesti, founded in 1910, in 1930 was brought under the control of the Skoda firm, which purchased these plants for approximately 50,000,000 lei. In 1939, the company had a capital of 10,000,000 lei;

The joint-stock company, Industria Romana de Cabluri Electrice (Rumanian Enterprise for Production of Electric Cable) was founded in 1939. It had a capital of 1,000,000 lei which was later increased to 10,000,000 lei. The Czechoslovakian plant, Kochler, owned part of the shares in this company;

Forja Poldi-IAR was organized in 1936 with a capital of 10,000,000 lei which was later increased to 50,000,000. The Prague plants, Poldina-hut, acquired 52 percent of all shares;

Prerom was founded in 1936 with a capital of 2,400,000 lei. The Prague firm, Prema, had an interest in this company.

In the textile industry, Czechoslovakian capital had interests in the following enterprises:

Filatura de Bumbac Inj. Kasasovici (a cotton spinning factory) was founded in 1935 and had as a sister enterprise the Prague firm of Kubinsky. In 1939, it had a capital of 20,000,000 lei;

Societatea Romana pentru Industria Bumbacului was founded in 1906 with the participation of the Mautner concern (Prague). In 1939, it had a capital of 60,000,000 lei;

Uzinele Romane de Pisle, a joint-stock company founded in 1937 with the participation of the firm, M. Lauerman und Kompanie (Schluckenau /Sluknov/, Czechoslovakia), had a capital of 1,000,000 lei;

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Industria-Textila Ardeleana, a joint-stock company in Satu Mare, founded in 1934 with a capital of 6,000,000 lei, was controlled by the Mautner concern of Prague.

A number of large-scale international trusts had interests in the chemical industry of Rumania through their Czechoslovakian branches:

Prima Societate Romana de Explosivi was controlled, as has already been indicated, by the Empire Chemical Trust and the Dynamit-Nevel Trust (Bratislava);

Nitramonia was controlled by the same trust through the Dynamit-Nevel firm in Bratislava;

Phoenix and Fabrica Stela, which have been mentioned above, were controlled by Czechoslovakian capital through the branch of the international concern, Schicht;

Romcar was founded in 1936 with the participation of the Czechoslovakian firm, Bata (Zlin), for the production of industrial lampblack. It had a capital of 2,000,000 lei;

Veloromana, also founded in 1936 with the participation of the Bata firm, had a capital of 4,000,000 lei.

Czechoslovakian capital also had interests in a number of small Rumanian trading enterprises.

In the banking field, Czechoslovakian capital was represented by the Bucharest branch of the Prague Anglo-Czechoslovakian Credit Bank.

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### Swiss Capital

Swiss capital was widely represented in the Rumanian economy, particularly in the textile and timber industries. It should be noted that in many cases the signboard of a Swiss firm concealed other foreign capital which, particularly on the eve of the war, used the safety of a neutral country to avoid danger.

In the banking field, Swiss capital had interests in several credit institutions in Rumania:

Banca Elvetiana si Romana was founded in 1921 with the participation of Union des Banques Suisses and in 1939 had a capital of 75,000,000 lei;

Banca Timisoarei, which has been mentioned above, operated in close contact with Anglo-Hungarian, French, and Austro-Swiss capital represented through the Scholler und Kompanie Bank (Zurich-Vienna);

Creditul Agricol Ipotecar al Romaniei was founded partially through the efforts of the bank, Credit Suisse (Zurich).

Swiss capital participated in the following enterprise of the Rumanian textile industry:

Filatura Romaneasca de Bumbac was founded in 1934 by the families of Poss di Vervania and Baron Luigi Parilli of Milan. The enterprise, however, had many contacts with French, Swiss, and American stock markets and its shares were distributed in all these markets. In 1939, the enterprise had a capital of 170,000,000 lei of which 50,000,000 lei were owned by Societe Anonyme de Gerance et Depot (Geneva), 50,000,000 by the Security and Financial Service Corporation (Panama), 40,000,000 by the Holding Monegasque d'Arbitrage et de Placement (Monaco), 10,500,000 by Luigi Parilli, etc.;

Tesatura-Iasi (textile factory in Jassy) was organized in 1910

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with the participation of the firms Societe pour le Commerce de Transite and Ramus (both in Berne) and in 1939 had a capital of 70,000,000 lei;

Sighisoara, a silk textile factory founded in 1924, had contacts with Swiss capital. In 1939 it had a capital of 28,000,000 lei;

Industria Textila Lugos was organized in 1911 with the participation of the Pest Hungarian Commercial Bank and the Union des Banques Suisses. In 1939 it had a capital of 28,000,000 lei.

Noua Fabrica de Tesaturi de Matase (New Silk Textile Factory) was founded in 1933 with the participation of a Zurich industrialist. In 1939, it had a capital of 25,000,000 lei;

Fabrica de Trikotaaj was founded by Rumanian industrialists, but during the war part of its shares were transferred to the Swiss firm, Schaffer und Kompania in Speicher, and to the American firm, Talcott Trading Corporation. In 1939, the enterprise had 50,000,000 lei in capital;

Industria Intei also transferred part of its shares to the name of several Swiss entrepreneurs. In 1939, the enterprise had a capital of 40,000,000 lei.

On the eve of World War II, almost the entire Rumanian timber industry was under the control of several large trusts which had their main offices in Switzerland, Monaco, or Italy. In the majority of cases, they were successors to Austro-Hungarian capital in Transylvania:

Carpatina was organized in 1920. It acquired a number of timber enterprises which had belonged to the barons who owned the forests of Groiedal. In 1939, Carpatina had a capital of 126,075,000 lei, more than half of which was owned by Holding International du Bois de Monaco. Although Swiss capital was not represented directly, it had interests in the Monaco firm;

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Ardeleana, organized in 1893, in 1939 had a capital of 5,000,000 lei, of which approximately 60 percent was owned by Holding International du Bois de Ronaco, and 34 percent by the Grinaek (?) Joint-Stock Company of Basle;

Arboria, organized in 1923, was also connected with the above mentioned trusts. It had a capital of 3,000,000 lei in 1939;

Forestiera Lonas, a joint-stock company founded in 1910, in 1939 had a capital of 30,000,000 lei, 66 percent of which was owned by Union des Usines et des Exploitations Forestieres de Nantique (Geneva), and 34 percent by Compagnie des Industries Minieres et Annexe Vandevre (CIPIA). This company had an interest in the Hercienl Company, founded in 1921, which had a capital of 20,000,000 lei in 1939.

Swiss capital was also represented in the following timber enterprises through the OFA concern:

Regnicolora, founded in 1920, in 1939 had a capital of 10,000,000 lei;

Valea Muresului, a joint-stock company, had a capital of 10,000,000 lei;

Valea Secului had a capital of 10,000,000 lei;

Putna Forestiera had a capital of 1,400,000 lei and in 1927 was transferred to control by an Italian group.

Swiss capital also had interests in the following enterprises of other branches of industry:

Laromet, a large-scale metallurgical enterprise founded in 1938, had a capital of 220,000,000 lei, of which approximately 20 percent was owned by Union des Banques Suisses;

Sulzer Freres, organized in 1923, was an enterprise which handled installation of central heating equipment, elevators, etc. In 1939, it

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had a capital of 10,000,000 lei, of which 24 percent belonged to the Sulzer brothers who owned the Swiss enterprise of the same name;

Creditul pentru Interprinderi Electrice, a joint-stock company founded in 1931, in 1939 had a capital of 60,000,000 lei; the EFAG Company of Zurich had capital invested in this enterprise;

Brown Boveri, founded in 1922, in 1939 had a capital of 20,000,000 lei. This company represented the Brown Boveri concern and the plants of Schindler et Compagnie in Lucerne;

Margina Rosita was organized in 1932 with the participation of the Rosita Company and the Swiss firm, Allgemeine Gesellschaft Fur Waldverwertung, in Lucerne. In 1939, it had a capital of 75,000,000 lei;

Cauciucul Cuadrat was organized in 1935 with the participation of several firms of Riga and The Horue, as well as Bank Fur Industrie und Anlagewerte (Zurich). In 1939, the company's capital totalled 20,000,000 lei;

Dr. Wander, founded in 1933, in 1939 had a capital of 4,000,000 lei. The Swiss firm of the same name had an interest in this company;

Odol was founded in 1934 and had a capital of 4,000,000 lei. It was organized by the Lingner werke firm in Dresden which bought the rights to the production of Odol products for 20 years from the Extraktion Company (Basle), having given the latter firm shares worth 5,000,000 lei.

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**RESTRICTED**German Capital

German capital again appeared in Rumania immediately after the First World War, but began to develop actively only after 1933 under the pressure of the aggressive policy of Nazi imperialism. Until March 1939, when the Treaty on the Development of Economic Relations Between The Kingdom of Rumania and the German Empire was concluded, German capital did not have an important place in the Rumanian economy. The following were the chief banking enterprises in which German capital participated;

Societatea Bancara Romana was organized in 1929 for the purpose of handling the affairs of the Rumanian branch of the Dresden Bank. It was organized with the participation of the following German credit institutions: Dresden Bank and Koenigs- und Prinzbank in Berlin, I. H. Stein in Cologne, and Simon Hirschland in Essen;

German capital, represented by the Berlin branch of Bank Mendelssohn and Company, was invested in Banca de Credit Roman;

Creditul Agricol Ipotecar al Romaniei was founded with the participation of a number of foreign banks, including the German Bank and Diskonto Gesellschaft.

Until 1939, German capital was represented in the Rumanian petroleum industry by only three small, insignificant enterprises; Mirafer, founded in 1921 with a capital of 10,000,000 lei with the participation of the German firm, Preussische Bergwerke und Hütten; Concertiul Petrolului, founded in 1921 with the German firm, Deutsche Petroleum as shareholder, had 6,000,000 lei in capital in 1939; and Buna Speranta which was founded in 1924 with the participation of the German concern, Gute Hoffnungshütte, and in 1939 had a capital of 6,000,000 lei.

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In the Rumanian textile industry, German capital was represented chiefly by German capitalists, Saxons and Swabians, living in Rumania. There were also several enterprises founded by a number of textile enterprises of Germany:

Gittersmann und Kompanie was organized in 1929 with a capital of 3,000,000 lei. The firm of the same name of Guttach-in-Breisgau (Germany) was a shareholder in this company;

Kerena, a woolen enterprise, was organized in 1937 with a capital of 48,000,000 lei by several entrepreneurs of Leipzig;

Firclina was founded at the beginning of 1939 with a capital of 10,000,000 lei, of which 5,000,000 lei belonged to Schollersche Kammgarnspinnerei (Bitterf, Germany), and 1,000,000 lei to a Zurich industrialist.

The large trust, IG Farbenindustrie, had the following firms as its agents in Rumania: Romigera, Romanil, Colorenil, Tisanil, and Alfa-Foto.

German capital was also represented in the following chemical enterprises of Rumania:

Chlorolent, founded in 1930 with the participation of the Lockwerke firm (a Dresden company with limited responsibility), in 1939 had a capital of 5,000,000 lei;

Odol, organized in 1934 by the Dresden firm, Lingner-werke, in 1939 had a capital of 5,000,000 lei;

Beyersdorf und Kompanie, founded in 1931, in 1939 had a capital of 4,000,000 lei. It operated together with a firm of the same name in Hamburg;

Ag-GU was organized in 1935. It had a capital of 1,500,000 lei and was connected with the Günthers Söhne firm (Dresden);

Tanara was founded in 1925 with the participation of the firm, Roehm und Haas (Darmstadt). In 1939 it had a capital of 3,000,000 lei.

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In the insurance field, German capital was represented in Rumania by an affiliate of the German insurance company, Viktoria zu Berlin. Through Wittenberger-Versicherungsgesellschaft, German capital took part in 1921 in the founding of the Steaua Romanelei Insurance Company.

There were many German enterprises in other branches of the Rumanian economy. They were owned by Saxons and Swabians living in Rumania, but their capital was obtained outside the country. These enterprises played an important role in the seizure of Rumanian enterprises by the Nazis.

#### Italian Capital

Prior to 1939, Italian capital participated in only a few Rumanian enterprises. In the banking field, Banca Commerciale Italiana di Romania, founded in 1930, was a sister enterprise of Banca Commerciale Italiana (Milan). In 1939, it had a capital of 100,000,000 lei. In the petroleum industry, Italian capital controlled the Prahova Joint-Stock Company which had a capital of 330,000,000 lei and in which Azienda Generale Italiana di Petroli (AGIP) was a shareholder. Italian capital also controlled the Italo-Romana Company which had a capital of 12,500,000 lei.

In the textile industry, Italian capital was represented in the following companies: Dacia, with a capital of 40,000,000 lei; Filatura Romanasca de Pumbac, which has been mentioned above and which had a capital of 170,000,000 lei; and Dopplieri, with a capital of 10,000,000 lei.

Italian capital had tremendous investments in the timber industry of Rumania. Banca Commerciale Italiana (Milan) controlled the following timber enterprises in Rumania:

Foresta Romana, founded in 1921, in 1939 had a capital of 5,000,000 lei;

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Forestiera Union, organized in 1932, in 1940 had a capital of 10,000,000 lei;

Valea Piatului had a capital of 2,250,000 lei;

Valea Trotusului was founded in 1923 with a capital of 3,000,000 lei;

Rastoganu had a capital of 5,000,000 lei;

Regina Sasek had a capital of 4,000,000 lei;

Societatea Anonima Pest Richter had a capital of 2,400,000 lei;

Societatea Anonima Pest R. and E. Söte und Kompanie had a capital of 20,540,000 lei;

Forestiera Poltrinali, an affiliate of a Vienna firm, had a capital of 23,750,000 lei.

Italian capital also had vast investments in insurance companies. The Ruminione Adriatica di Scurta (Trieste) had Adriatica as its representative in Bucharest and was closely connected with the Agricola Financiera Company which had a capital of 10,000,000 lei. Societa Finanziaria Assicurazioni (Zurich) also had an interest in the latter company. Another large-scale Italian insurance company, Assicurazioni Generali (Trieste), had interests in the joint-stock company of Dacia Romania with a capital of 60,000,000 lei, Generala with a capital of 50,000,000 lei, and in Steaua Romaniei with a capital of 20,000,000 lei.

Swedish, Dutch, Polish, and Hungarian capital was also invested in the Rumanian economy, but with the exception of the Hungarian, the capital of these countries did not have an important place in the economy. Those enterprises which had real significance have already been noted in preceding chapters.

#### Large International Trusts and Rumanian Politicians

The preceding exposition leads to the conclusion that, on the eve

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of World War II, the Rumanian economy was under the strict control of international monopolistic trusts. There is no data as to the total extent of the participation of foreign capital in the Rumanian economy in this period. The summary account given here shows sufficiently clearly the role of foreign capital in the Rumanian economy. In the above are listed more than 150 joint-stock companies in which foreign enterprises have participated. The capital of these companies totaled more than 90,000,000,000 lei (at the 1939 rates). Of these listed companies with foreign capital, 123 enterprises, with a capital of approximately 43,000,000,000 lei, were industrial enterprises. At the same time, throughout the entire country in 1939 there were 941 industrial joint-stock companies with a total capital of approximately 36,500,000,000 lei. As a result, we see that trusts and foreign enterprises, controlling nearly 12 percent of the industrial companies in the country, held in their hands nearly 50 percent of the total capital invested in these companies.

In the banking field, of 448 banks with a capital of 6,500,000,000 lei, 17 banks with a capital of 2,000,000,000 lei were controlled by foreign financial institutions. In this way, more than 80 percent of banking capital was under foreign control.

The dependence on foreign capital was even more striking in the insurance field. Of the 21 insurance companies, with a capital of about 380,000,000 lei, operating in Rumania, 11 companies with a capital of 270,000,000 lei were controlled by foreign enterprises. In other words, more than 70 percent of the capital of Rumanian insurance companies fell into the sphere of influence of foreign monopolies.

There was not one major branch of the Rumanian economy in which international monopolistic capital did not have a hand. The banking field was dominated by the large-scale French and English banks: Banque de l'Union Parisienne and Banque de Paris et des Pays-Bas which were

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combined into the monopolistic Parisian "trust of large banks", and the two great London banks, Westminster Bank and Hambro's Bank. The large German and Italian banks, in turn, commanded foreposts on the Rumanian market: the Dresden bank, one of the largest of the German banks, controlled Societatea Banara Romana, while Banca Commerciale Italiana (Milan) had its branch in Bucharest.

English and Italian insurance companies ruled the Rumanian insurance field, for the most part. The Sun Insurance Office (London), Rinnovo Assicurtiva di Genova and Assicurazioni Generali (Trieste) enjoyed a real monopoly of the insurance field.

Transport was also in the hands of the international trusts, including Schneider and Cockerill.

Rumanian heavy industry was completely dependent on the international trusts: Siemens, Krupp, and Schneider-Creusot in the metallurgical industry; Dupont Chemical Trust, Bayer Brothers and Haller, Licht, and Solvay in the chemical industry; Dynamit-Nobel in the explosives industry; IG Farbenindustrie and Montecatini in the trade of chemical and pharmaceutical products; Royal Dutch-Shell, Standard Oil, Vacuum Oil, Petrofina, and AGIP in the petroleum industry; Ben Schin in the glass industry; Hydrofina, Electrol, and Siemens in the electrical industry; Allgemeine Elektrische Gesellschaft in the trade of electrical equipment. All these great international trusts carried out their monopolistic activity on the Rumanian market, cooperating or competing for the achievement of their ends;

Who were the representatives of these great trusts and who represented their interests in Rumania? There were, first of all, the directors of these monopolistic enterprises -- persons known throughout the world, like Deterding, director of the Royal Dutch-Shell Trust, Leon Vinge, director of Petrofina, Edsel B. Ford, Vickers, Solvay or

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Schicht, directors of the trust which bear their names. All these were represented in the administrative councils of the Rumanian companies which were controlled by their trusts.

Together with these, however, in the administrative councils or in the management of companies controlled by the large foreign trusts and banks were a number of political figures of Roumania -- former prime ministers, ministers, deputies, or senators, directors of the "historical" parties -- who hired out their names in order to give a "national character" to the companies in which foreign capital participated. Among them were the following:

11. Vaida-Vodora, former prime-minister in the National-Taranist government, looked after the interests of the Standard Oil Trust in the Romani-American Company and the interests of Anglo-Hungarian capital in the Dermata Company;

G.S. Birnbaum, also a former National-Taranist prime minister, served the Royal Dutch-Shell Trust in his capacity as president of Astra Romana. He also represented the interests of the Empire Chemical Trust (in Firma Societate Romana de Explosivi and the Nitrosonia Company), as well as the interests of Italian trusts in the Dacia Romania Insurance Company, and the Swiss firm, Sulzer Bros., in the joint-stock company of the same name in Roumania;

Mihai Popovici, vice-chairman of the National-Taranist Party, who held the post of minister many times, worked for Petrosani and Banca Ardeleana, with the Hungarian counts who were striving to separate Transylvania from Roumania, also had contacts with the large English trusts, and was an administrator in the Titan, Nadrag, Kalan Company and in Banca de Credit Romana;

Emil Hateganu, one of the leaders of the National-Taranists, a former minister, served foreign interests in the Dermata and Turul shoe factories in Cluj, which were part of the Cluj Shoes Ltd. concern

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(London) and also in the Arberia Timber Company where he was an administrator. He also had contacts with Swiss capital;

Israel Fog, one of the numerous nephews of Iuliu Maniu, served the interests of large foreign banks as an administrator of Banca Comercială, Bank of Commerce, was on the staff of the administrative council of Silesia, having cooperated with representatives of the extensive financial capital controlled by the National-Liberal Party of Romania, took part in the management of Banca Transilvania and worked with Hungarian shareholders in Banca Comercială de Credit în Transilvania, and was also in the management of the Iulianu Sugar Plant;

Remus Bala, another nephew of Iuliu Maniu, was put on the staff of the administrative council of the Nitrogen Company, which was composed of powerful Hungarian capitalists, in payment for concealing their capital during the period when the Communist government was in power;

Maxim Radu, a nephew of Ion Mihalache, one of the ring-leaders of the Communist Party, also cooperated with representatives of the trusts in the administrative councils of Buzia and Astra-Vaslui;

Professor I. Raducanu, a former minister and a leader of the National-Communist, had close relations with the great international trusts and later, with the German Fascists. He was president of the administration of the Solway plants and protected the interests of the international trust of the same name; he was president of Compania Generală a Industriilor Textile, in which capacity he served the interests of the French industrialists from Roubaix; he was an administrator in the Seia Company which supplied raw materials to the IG Farbenindustrie; he was also an administrator in the transport company, Schenker si Compania, which was the Rumanian branch of the international trust of the same name; later, during Hitler's regime, he was one of the directors of the League of National Economic Development, an

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affiliate of the imperialistic Hitlerite organization, "Mittel-europaischer Wirtschaftsbund";

Ilie Lazar, a National-Farmerist leader, was a lawyer in the Skoda Trust;

M. Panescu, a follower of Ceaușu, had close relations with Swedish Trusts, was on the management staff of Chibriturile, was an administrator in the Erikson Company, the Hungarian branch of the large Swedish trust of the same name;

Mayor Pop was president of the representative of the American plants of Imperial-Sand in Bucharest and was an administrator in the council of the Bonta Company;

April Vlad was an administrator in retirement and worked together with the Hungarian chauvinist-organizers;

Ghita Pop represented the interests of Belgian trusts in the Theresia Company, and through Tallenberg, Hermann, represented a number of German, and later Swedish firms;

Bail Ghilosen represented the interests of Hungarian bankers in Banca Ardelenia;

Pica Georgescu served the interests of the Standard Oil Trust in the Romane-American Joint-Stock Company.

The list is endless of National-Farmerist leaders who faithfully served the interests of large international trusts in various administrative councils of Rumanian joint-stock companies, which were Rumanian only in name.

The leaders of the National-Liberals, a party which appeared under the slogan "We shift for ourselves!" and which, as a matter of fact, attempted to gain control of the Rumanian economy, were closely connected with foreign capital, although, for the sake of appearances, the party attacked foreign capital at every opportunity, in the speeches of its leaders and in the press:

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Thus, General Constantinescu, a former minister in the National-Liberal government, was president of the administrative council of the Petrosani Company, where he worked together with representatives of Hungarian capital; he was an administrator in Bacau, Arad, Iași, and Tulcea, cooperating with representatives of the large international metallurgical trusts; he was president of the administrative council of Carpatina and an administrator in Republica Lucea, where he served the interests of the large French lumber concerns; he was president of the administration of the Bacau-Lucea Paper Plant, where he represented the Belgian trust which had branches there and in the North;

Nicolas Dăncuș, one of the leaders of the National-Liberals and a former minister, represented the interests of the Empire Chemical Trust as an administrator in Frică, Societatea Romană de exploatare și fabricație, as well as the interests of the Empire Trust and Bacau and Tulcea, Tulcea, Iași, at the same time as he served the interests of the Germans in Societatea Romană de exploatare și fabricație in the Tulcea company;

Nicolai Brătulescu, a leader of the National-Liberals, a former minister and senator, was in the service of the Green-Savory Trust as president of the administration of a company of the same name in Bucharest and as an administrator in Coronești and Unicele Commune Salati;

A.G. Donescu, former "general primer" of the Romanian capital, cooperated with French trusts in the Petrol Ploce and IRDP companies, with Belgian trusts in the Marasesti Company; but, at the same time, he was working with French trusts in Societatea pentru Industria Textila, as well as with international trusts in the Oxiliara Transport Company;

Emil E. Costinescu was general director of the Nationala Sugar Company and served the interests of several French trusts;

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M. Barboianu served, as administrator of the Agricola-Societara Insurance Company, the interests of the Italian trust, Adriatica;

Al. Alimenisteanu represented the interests of the Franco-Belgian trusts in the Minitul Company.

Banca Romaneasca, financial citadel of the Bratianu family and the agency on which the National-Liberal Party relied, fulfilling its slogan "we shift for ourselves!", had interests, together with the large foreign trusts, in several Romanian enterprises. It had capital invested in the following: retroceni, together with the Hungarian trusts, Dealul Otaras and Urziceni; in Bacau, together with foreign arms trusts; in the localite plants, together with foreign capitalists; in the Steaua Romana Company, together with Anglo-French petroleum trusts; in the Societate de Papi, together with Molin International du Bois de Monse; in the Nationale Insurance Company, together with the Parisian company, Union; in Creditul roman Intercontinental; Electrica, together with the WAG Company (Gurich), etc.

Banu Bratianu, head of the National-Liberal Party, owned a block of shares in Societatea pentru Industria Textila, the capital of which was controlled by the French company, Financiera Textila pour la France et l'Etranger.

It is possible to give many examples of how Romanian politicians--former prime ministers, ministers, deputies, or senators--took part in the administrative councils of large-scale Romanian enterprises together with representatives of international monopolistic trusts. Naturally, under these conditions, they could not protect the independence of their country from the encroachments made by world-wide monopolistic trusts.

The former governments -- governments made up of members of the "historical" parties--were the lackeys, the despicable puppets, of the large international trusts; for, the people who received bonuses, prizes,

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dividends, and "commissions" from the large trusts could not follow any other policy than that dictated by these trusts.

Such was the situation on the eve of World War II.

#### UNDER THE WHEEL OF HITLERITE IMPERIALISM

As early as 1933 in Germany, with the rise of Hitler to power, a new economic policy toward the countries of Southeastern Europe began to be put into effect. This policy had as its goal the acquisition of control over the foreign trade of these countries, the facilitating of the penetration of German influence and the subordination to its interests of the economy, and then, the policy of the small Balkan and Eastern countries. The German imperialists opened no means for the accomplishment of their imperialistic plan.

Intensive advertise out of German goods and propaganda for the expansion of the export of goods from these countries to the "Third Reich" were carried out through a wide system of special agents and brochures, books, and films, through trade boards, and by the organization of exhibits and fairs. Nazi agents everywhere organized representatives of German firms and import-export companies, while representatives of "German ethnic groups" (Saxons and Swabians, living, for the most part, in "Transylvania") placed all their lands and resources at the disposal of the Hitlerite "Third Reich."

Germany expressed her readiness to purchase absolutely everything on one condition only, that payment for these goods would be made on the basis of the clearing method, that is, payment would be made in blocked German marks which could be used only for purchases in the German market.

By purchasing as many goods as possible in these countries, the Germans forced their suppliers to buy just as much in the German market in order to even up the clearing accounts.

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Germany bought up a tremendous quantity of produce and other goods, part of which it resold on the world market, thus obtaining the foreign credits it needed to pay for purchases of colonial goods, such as rubber, cotton, etc., without which its armament industry could not operate.

Acting in accordance with a well-worked-out plan, Germany demanded of its satellites that they conclude with her long-term trade agreements which contained provisions not only for a list of goods and preferential protective tariffs, but also for delivery of goods on time and always at "real prices, "regardless of world prices."

Knowing that its actions provoked war and that the result would be to increase substantially the demand for goods and to raise world prices (which actually did happen), Germany hoped by these actions to secure supplies for itself on the most favorable terms.

In order to make the production of Southeastern Europe to conform to its needs, Germany attempted through agreements to establish definite obligatory terms by which its satellites would organize, within the framework of certain "plans" projected over many years, the production of items needed by the German economy. Certain countries were to start cultivation of new agricultural crops, such as soy, rubber plants, crops providing textile fibers; the Germans hindered in every way possible the development of branches of industry not necessary to the "Third Reich."

In just this way, the trade agreements provided for the construction of railroads, highways, telephone and telegraph networks, etc., to build up communications with Germany.

The states of Southeastern Europe were thus just one step away from colonial subjugation. Germany endeavored to gain full control over the economic life of these countries and to establish an actual

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monopoly over their foreign trade. This policy of Germany's was facilitated by the world agrarian crisis which caused a catastrophic fall in prices of agricultural products in the world market, at the same time depriving the Danubian and Balkan countries of the possibility of disposing their goods in the countries of Western Europe. This policy was also facilitated by the position taken by Western European capitalists who, being less interested at that time in the development of trade relations with the small states of Southeastern Europe, made it more difficult for them to get loans.

It was not until 1938, after the union with Austria, after the conference in Munich, and, in particular, after the dismemberment of Czechoslovakia, that England and France began to show great interest in the Danubian and Balkan countries, which at that time had already fallen prey to Germany.

That, then, was the position of Russia at that time?

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**RESTRICTED**The Policy of the Trusts

The large Anglo-French trusts were firmly entrenched in the Rumanian economy. Nothing, it seemed, threatened their interests. They had strong ties with the governing political parties of Rumania. Their interests were closely interknit with the interests of the former Rumanian king, Carol II, who, together with the international trusts, was an important shareholder in such financial, industrial, and commercial enterprises as Banca de Credit Rural, Banca Banarilor, Banka de Comert, the petroleum companies of Astra Romana, Steaua Romana, Concordia, the heavy industry enterprises of Vestta, Titan, Siderul, Sider, Astra-Vapora, Societatea Anonima Romana de Telefoane, and others.

Occupying an important position, the international trusts reckoned that they could leave to German control those branches of industry in the Rumanian economy which did not interest them, for example, the trade in grain, wool, and cattle. The trusts, within the framework of international agreements, gave the German companies leeway in specific spheres: thus, IG Farbenindustrie, which, like the chemische Industrie-Gesellschaft, had close relations with large-scale English and American capital and a number of other German trusts, for a long period of time held a monopoly over the supply of a number of products to Rumania.

The large international trusts did not yet see any basis for opposing the open and determined activity of the Germans in the field of economic penetration of the countries of Southeastern Europe, as long as that penetration did not cross certain definite boundaries. The policy of "mutual understanding", the beginnings of which were laid at Munich, was also the policy of the great international trusts.

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By the end of 1937, and particularly, at the beginning of 1938, the situation changed. Germany went beyond the limits established by the Munich agreement. It attempted to change the situation without "consulting" the other countries. After the occupation of Austria, after the absorption of part of Czechoslovakia (the Sudeten region), Nazi Germany attempted quite openly to ensnare other countries as well. The declaration by the Minister of the Economy, Dr. Funk, on his return from a trip through the Balkans, on the "creation of a vast economic area from the North to the Black Sea," gave evidence of the obvious intent of Germany to achieve full economic and political mastery of the Danubian and Balkan countries.

Although some financial circles in London still held the opinion that the German demands could be brushed out, it became increasingly clear that the capitalist world was divided into two hostile camps and that war was not far off.

#### Albania and Rumania

In August 1938, a Rumanian delegation arrived in London to negotiate on the subject of long-term deliveries of petroleum and grain products in exchange for industrial goods. The result was the allowance of credit in the sum of £1,000,000 pounds sterling to Rumania by the English government.

The Nazi economists came out against the "Western European plutocrats," attempting to show that only Germany could guarantee to the small countries the "independence in the face of the threatening tendencies of the international circulation of capital."

In October 1938, a German delegation arrived in Bucharest to negotiate a trade agreement. Soon, Lord Lloyd of Dolobran arrived in Bucharest to "study the possibility of developing the Anglo-Rumanian exchange of trade."

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An agreement with Great Britain, was signed on 11 May 1917. It was a direct answer to the German-Rumanian economic treaty of 23 March 1916. The agreement provided for an increase in the trade exchange between Rumania and England, the formation of English trading agencies in Rumania, the designation of free zones in Rumanian ports for English trading operations, and the construction of facilities to aid transport of goods destined for export to England. It also provided for the sending of English experts who would study the possibilities of revitalizing the trade exchange. Finally, England was pledged to purchase in Rumania up to 200,000 tons of grain of the coming harvest, and, on the other hand, to allow Rumania "credit

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guarantees" to the sum of 5,000,000 pounds sterling, so that Rumania could purchase goods in England, paying for them over a 20-year period. This English answer to the aggressive actions of Germany was drawn up in a special protocol where it was more precisely stated that "any privileges or concessions, having as their goal the development of trade between Rumania and other countries, will be granted also to English firms in Rumania." The protocol gave England the unrestricted right of a country enjoying privileges provided by a most favorable regime. Actually, this article put England on an equal footing with Germany, but...at the expense of Rumania.

The signing of the agreement of 11 May 1939 opened a new phase in the struggle between England and Germany for the Rumanian market. However, all chances of success were clearly on the side of Germany, who acted more actively, utilizing all means.

In July 1939, a convention was concluded which defined the conditions for the granting of the "credit guarantees" as provided by the Anglo-Rumanian agreement of 11 May 1939. The loan was set at 5,015,300 pounds sterling and was guaranteed by the Department of Export Credit Guarantees, Ministry of Trade of Great Britain. In reality, the "goods" purchased on the basis of these "credit guarantees" did not really meet the needs of the Rumanian economy, inasmuch as they were almost exclusively military equipment and arms.

The English company, Timber Ltd., opened a branch in Rumania in order to organize the export of construction timber to England. Not to be outdone, the Germans, in answer to this, drew up a protocol on the Rumanian-German agreement on the problems of the timber industry, creating the basis for an increase in the export of lumber to Germany.

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Rumania became the object of solicitation from all sides, foreign economic delegations made their appearance in Bucharest, the negotiations, however, were more of a political or military character than economic. Such, for example, were the negotiations conducted by General Heyrand who visited numerous plants during his stay in Rumania, or the negotiations with Colonel Ien, president of the British Council organization, who visited Rumania twice.

Events quickly came to a head. After the Second World War had started, Rumania was subjected to a veritable onslaught of spies and propagandists of all nationalities. All different kinds of business men, disguised agents, began to appear from all quarters. The Russian Marxist organizations increased their activity. The head of the government, Aron Cotlescu, was killed by the Iron Guard. Governments fell, one after the other.

Russell believed in the petroleum regions. Nazi spies and propagandists circulated all sorts of rumors, hoping to provoke a panic in order to effect the removal of French and English engineers from the refineries and the oil fields. The German government exerted pressure on the Rumanian government, gaining the cooperation of the latter in the acquisition of at least 50 percent of those shares in petroleum companies which had belonged to German firms prior to the First World War.

At the beginning of February 1940, a "petroleum commissariat" was formed. The international trusts, fearing that their profits would be limited, demanded information of the government, wrote protests. But their fears proved to be unfounded. The trusts continued to do their dirty business.

At the same time, intrigues began to surround the agreement concluded with England on the export of 150,000 tons of grain from

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the 1939 harvest. England was not the only country desiring to purchase Rumanian grain. Italy too was stockpiling. A contract for the delivery of 100,000 tons of grain was concluded with Consorzio Italiana Consorzi Agrari in Rome.

At the beginning of April 1940, Sir John Simon, Minister of Finance, reported the formation of a large-scale English joint-stock company, the British Commercial Corporation, Ltd., to trade with the countries of Southeastern Europe. A large part of the capital of this company was held by the Ministry of Finance which was to "fulfill its functions with complete independence in matters of trade, consulting with the British Government only on basic questions of policy." On the administrative council of the company were representatives of the British Government together with representatives of trusts, whose names were: J. B. Hambro of Hambro's Bank.

The Minister of Finance hastened to add that "it is not intended that this company should replace existing trade companies, rather, it has been created to utilize trade as fully as possible." This gave assurance that the interests of the large trusts would not be hurt.

The Germans countered the complete vagueness of the English plan with accomplished facts.

While the English negotiated for the formation of a special trading enterprise for the purchase of poultry and meat in Rumania, the Germans, through Tierstelle (Berlin), signed a contract for mass purchases of cattle.

While England negotiated for the expansion of the purchases of petroleum products in Rumania, the Germans in May 1940 signed a "petroleum pact" (Ölpakt), on the basis of which Rumania became the oil base of the Nazi army.

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The fall of France, Italy's entrance into the war, and the closing of the Mediterranean Sea to commercial navigation all resulted in the cessation of activities by the British in Rumania. By June 1940, the last French and British ships were removed from the Danube and sent to Turkish, Syrian, Palestinian, or Egyptian ports.

From May to August 1940, Nazi tanks supplied with Rumanian oil occupied France, Belgium and Holland, and Goering's planes demolished defenseless cities. The representatives of the trusts were satisfied -- everything was going well.

On 6 September 1940, the government of the Iron Guard, headed by Antonescu and Horia plan, came into power. Several weeks later, the country was occupied by Nazi soldiers, and on 4 December 1940, Eugen Tanculescu, Minister of the National Economy, signed an agreement by which the Rumanian economy was transferred completely to the guardianship of Nazi Germany. Most important was the agreement establishing the conditions for carrying out the long-term plan which had been provided by the treaty of 23 March 1939.

The "plan" was scheduled to run for 10 years. By this plan, Rumania was obliged "to cooperate" with Germany in the field of agriculture and the timber industry; "to renovate systematically" its production within the framework of the "new European order," that is, to liquidate factories, the existence of which was not permitted by the Germans; to reorganize its transportation in accordance with the "natural paths of the sale of products of the Rumanian economy" in the framework of the "new European order;" to consent to control by German "specialists;" to export its production to Germany at fixed prices "regardless of world prices," in other words, at rigid prices set by German purchasers.

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On the basis of this agreement of 4 December 1940, the exchange rate of the German mark, which up to that time was equal to 50 lei, increased to 60 lei, which resulted in the increase in prices on goods imported from Germany of 20 percent. At the same time, the former exchange rate of 50 lei per mark was preserved in the accounts on German imports of petroleum products, which made up the greatest part of Romanian exports. This meant for Romanian exporters that they did not receive the gains from the increase in the exchange rate of German currency. Inasmuch as, instead of 50 lei, they continued to receive 60 lei per mark, at the same time that all German goods went up 20 percent, Romanian exporters had to sell their goods at the old rate.

Romania, finally, was included in the Berlin system of "central clearing," under which she was compelled to settle her accounts with the majority of the European countries under the control of fascist Germany.

Romania had indeed become converted into a German colony.

#### The Disposition of the Anglo-American Trusts

Before the advent to power of the Antonescu-Moria Sina government, when it had already become perfectly clear that Romania would join forces with Hitlerism, several large international trusts, particularly those with main offices in London, took measures to "find a safe place" for capital invested in the Rumanian economy.

Naturally, the simplest solution to this problem was the sale of their shares in Rumanian enterprises, but this would have meant the loss of both substantial capital and the economic position which was of such great importance to the monopolistic trusts. On the other hand, to hold on to the shares might have created a situation in which

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the enterprises in question would be considered hostile and, therefore, would be placed under a corresponding regime of the administration, which certainly would not suit the monopolists of the camp opposed to the Germans.

That was why, in any case, they resorted to camouflage of their holdings by the resale of their shares to certain trusts, having connections with them, in neutral countries and often in Germany or in regions involved in the "third battle." In this way, an English enterprise in the night became an enterprise with neutral or even with German, and only occasionally with American, capital. Similar operations were carried out, not only in the period preceding the war, but even during the war. The English property owners did not hesitate to capitulate or to transfer ownership to companies with their own interests.

Such operations in the transfer of capital were carried out in very large enterprises. Thus, the English Empire Chemical Trust sold its shares to the Romanian Firma Sotolac, known as particularly to the German branch of the Dynamite-Nobel Trust, the main office of which was in Vienna. This branch of the trust, controlled the shares which were held by the Czechoslovakian branch of the Dynamite-Nobel Trust in Bratislava. As a result, Firma Societate Romana de Explosivi, in which English and Czechoslovakian capital was invested, came under Nazi control. The Vienna branch of the Dynamite-Nobel Trust, it goes without saying, had close relations with the international trust of the same name, the main office of which was in London. In this way, an enterprise of great importance was transferred, in the twinkling of an eye, from the hands of English capital to German.

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The Phoenix Industrial Oils Plant, owned by the English trust, Lever Brothers and Unilever, and dependent upon the Schlicht chemical concern, was transferred to the control of the German branch of this concern by means of a simple replacement of one of the members of the administrative council. In place of Hansrich Schlicht of Hamburg (Geschäftsführer), Franz Schlicht of Berlin was put on the staff of the administrative council. This member of the Schlicht family was formerly the director of the factory in Langer (in East) which belonged to the Lever Brothers Trust.

Similarly important changes were made in the banking field. At the period when the Germans were meddling in Europe and the Netherlands began their campaign against the "Western European plutocrats," the Dutch Anglo-American bank was called the Banca de Handel en Scheepvaart (Independent Commercial Bank). It is significant that the administrative council of the bank included V. V. Willem, who was a "friend" of the British...

The British interest in Banca Kribbe, acquired by the British International Bank in December 1936, disappeared in less than a year's time. In place of it, the N. N. Bank was dominant, whose connections with the Indian trusts were well known, appeared as the large shareholder in this bank.

No less important changes along this line occurred in the petroleum industry. The participation of Anglo-Dutch capital of the Royal Dutch-Shell Trust in Astra Romara was replaced by "purely Dutch" participation by the trusts of N. V. de Bataafsche Petroleum Maatschappij and N. V. Koninklijke Nederlandsche Maatschappij tot Exploitatie van Petroleumbronnen in Nederlandsche Indië, which had their main offices in The Hague. As for the Unirea Company, during the war negotiations

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were conducted on the sale of the English shares in this same large-scale German trust. These negotiations, however, had no result, since the parties could not agree on the price.

In the metallurgical industry, British shares in Britisha were receded to the GMB Company of London. Another capital in Titan, Munster, which remained unchanged, while British capital in L. Salsosa was in an uncertain state as a result of the confiscation of the plant belonging to half owned by the steel board government and the American allies.

In the insurance field, the transfer of British capital to German financial groups was continuing not in the form of the British Insurance Company but in a more direct form to Alsatian (Germany), while the shares in the British were sold to a group of India. The Swiss General Insurance Company, which was a sister enterprise of the London trust, and Insurance Office, was absorbed by the German trust and General Insurance Company, which owned shares in all the other English insurance companies operating in Romania -- but, Colonien, Tournes, Norwich Union, and others.

Considerable changes also occurred in transport companies. Schenker & Company, which had close ties with the English branch of the international firm and a substantial part of whose capital was owned by the Schenker Company of Zurich, was transferred to the complete control by the German branch of the firm. Similarly, the Intercontinental Transport Company, which was closely connected with the London firm, Lep Transport, Ltd., was transferred to control by the German trust, Jassen und Pompanie (Hamburg).

American trusts, in their turn, also resorted to petty tricks to secure their capital invested in the Romanian economy. After the

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entry of the United States into the war, the Americans relinquished a small block of shares in the Romano-Americana Company to several German employees in order that the latter might better protect their interests. As a result, the German classes, Frohme and Gejer obtained 210 shares in the Romano-Americana Petroleum Company, and also from F. Ischelsch, J. Mattingly, Alvord, Robinson, and W. I. Maxwell. The majority of the shares were preserved through the Standard Oil Company of New Jersey, which had extremely close ties with the Gail family, of Bucharest, and who obtained them even during the war. It was in a secret that the Standard Oil trust protected German interests in the United States during the war. Consequently, at Bucharest, in connection with this, protected Standard Oil interests in Romania during that same period. The cooperation of the trusts was perfect.

As with the Romano-Americana Company, American capital invested in the branch of the Vacuum Oil Company in Rumania, which controlled the Ploesti refineries in Rumania, was protected by such "trustworthy" Nazis as Otto Keller and E. Ratzelt.

The Ford-Romania Company also had many German directors who protected American interests, including Leon Wachner, Richard Schneider, E. Binder, S. Fischinger, and others.

#### The German Trusts in Operation

After Rumania had been included in the "German sphere" and into the system of economic agreements which left her without any freedom of action, the Nazi trusts began to take complete possession of the major branches of the country's economy. The petroleum industry, as one might suspect, held the greatest interest for the Germans.

As already pointed out, prior to 1939, only three petroleum enterprises with German capital were active in Rumania. These were Mirafior, Consortiul Petrolului, and Buna Speranta.

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In 1939, after the occupation of Czechoslovakia, shares of the Petrol Floc Petroleum Company owned by the Czech group, Brano Bratislava-Pole Maschinenfabrik, were transferred to German control. Later, in 1940, the share of German capital in this company reached 80 percent of the total capital of the company, its shares were held by the German trust, Oboostehemie Handels-Gesellschaft. In 1940, this same German trust seized a large block of shares of the IMF Petroleum Company which operated in close contact with the Petrol Floc Company.

The occupation of France and Belgium facilitated the German seizure of other petroleum companies. Thus, after the occupation of France, the shares in the Silesia Petroleum Company owned by Oboostehemie Internationale de Petroles (Paris) were transferred to the Nazi trust, Kontinental G., possibly as a means of settling the debts of administering the German occupation zone in France. At the same time, the Germans succeeded in taking over 80 percent of the capital of Caludor.

The same thing happened in Concordia. The shares held by the Franco-Belgian group, Interol, were transferred to the Kontinental G. Trust which thus gained control over more than 50 percent of the capital of Concordia. Subsequently, in 1942, Concordia was merged with Forachi Romanescu, the shares of which were sold in 1940 by their Belgian owners to a company with limited responsibility, Allgemeine Finanz- und Handels-Gesellschaft of Berlin.

Through Concordia and Forachi Romanescu, the Germans were able to establish control over the Moldonafra Company, the capital of which was owned, prior to 1939, by the English firm, Danube Oil Tracing Company of Rumania, Ltd. The latter's shares were later sold to Forachi Romanescu. As a result of the merger of Concordia and Forachi Romanescu, shares in Moldonafra were transferred to German control.

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The following Rumanian petroleum companies were also transferred to German control: SIDEP was brought under the control of Hugo Stinnes (Pohl-ke, Ruhr), Deutsche Gasolin (Berlin), and Apollo (Bratislava) trusts; the Sarpetrol Company's capital was taken over by the Continental Oil Trust; the German interests in Stea were represented by Ernst Stinnes; 45 percent of the capital of Transpetrol, which was partially owned by Süddeutsche Handels-Gesellschaft and others which were engaged in transporting petroleum, was transferred to the Shell Trust, Deutsche Verkehrsmittel.

Finally, the Astra Romana Company, although it had Anglo-Dutch capital, was nevertheless controlled by Germans on the basis of a "contract on cooperation" concluded between the Dutch group and Continental Oil.

It is worthy of note that, throughout the four years of the Rumanian-German economic "cooperation," the Germans did not rush to create new oil refineries, but rather preferred to utilize the existing ones. Only three new, insignificant, petroleum refineries were organized with German capital: Explora, founded in 1943 with the participation of the German trusts, Deutsche Petroleum AG, Vintershall AG (Berlin), and Illerath & Co. (Hamburg); Transpetrol, a joint-stock company in which the Verbenimstrale Trust has an interest; and finally, Polcarsti, in which the Sarpetrol Company participated.

By seizing the above-mentioned enterprises, the Nazi trusts, headed by Continental Oil, gained control, for the most part, over the petroleum industry of Rumania.

In the metallurgical industry, the Germans also gained control by seizure of the most important enterprises. Thus, the Reifler Company, founded by the Rumanian government and the German Goering Werke Trust,

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took over the operation of the Nalacsa plants, which were confiscated in January 1941 by the state.

All metallurgical plants in which Czechoslovakian capital was invested, were also brought under German control. That is what happened to the plants, such as Metalurgice din Focsa Nica si Jiu, Ibram, and Devale plants, in which Czechoslovakia, Skoda, and others had invested capital and which administrative council the German occupying authorities had established. In addition, the steel, iron, and metal plants, and iron, etc., companies in Czechoslovakia, Poland, and Germany, etc., were also under German control.

The German authorities also took over the operation of the oil refineries, such as the Ploesti refinery. On the other hand, the German authorities also took over the operation of the oil refineries, such as the Ploesti refinery. On the other hand, the German authorities also took over the operation of the oil refineries, such as the Ploesti refinery.

In the rubber industry, the Germans gained control over the production of rubber. They also gained control over the production of rubber. They also gained control over the production of rubber. They also gained control over the production of rubber.

In the banking field, the Germans, with the help of the French collaborationists, acquired extensive interests (more than 50 percent of the capital) in Banca Comerciala Romana. They also gained control over Banca de Credit Roman, buying a small block of shares, with the result that their representative was put on the staff of the administrative council. They also took over Bank Griscoveloni, 25 percent of whose capital was owned by Berliner Handels-Gesellschaft. These banks, together with the old German firm, Societatea Bancara Romana, considerably facilitated the plunder of the country by the Germans.

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In transport, the Germans had a genuine monopoly, gaining control by various methods over branches of the major international transport companies. The joint-stock companies of Schenker & Company, Harman, Intercontinentale, Hansa Romane and others, were all controlled by German capital.

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In 1940, the Belgrade Company was founded with the participation of Representatives of National Police from Republics of Vojvodina (Company for the Supply of Materials to German Oil Factories), which has operating plants in the processing and export of oil-bearing seeds of all types.

Another joint-stock company, Südtiroler, which was part of the trust of the same name which had a main office in Berlin and branches in all the Italian countries, attempted to establish a monopoly in the procurement of crops providing fiber for the textile industry. This plan was only partially realized.

As for the trade in grain products, this trade was controlled by the large German joint-stock companies headed by Bonarex, Danagros, Agronox, Müller Cereals Export, and others. All these companies operated in close relations with the Berlin Grain Administration (Reichsstelle Für Getreide), whose purchase orders they carried out.

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We have published a special work (Tudor Savin, Economia Romănească sub jugul imperialismului German, Editura "Știința", 1961) on the way in which the German trusts operated in Rumania and on the German pillage carried out over a period of four years of Antonescu-Hitler "cooperation," and therefore, we will not take up that question here.

#### Penetration by Italian Capital

The inclusion of Rumania into the "new order" in Europe resulted, together with the rise in the influence of German capital, in an increase in the influence of Italian capital in the country.

Naturally, since the penetration by German capital was of a monopolistic character, Italian capital did not find a particularly wide field of activity. Nevertheless, in several branches of the economy, Italian capital did enjoy some advantages.

The large Italian trust, ANIC (Azienda Nazionale Idrogenazione Petroli), which controlled the Montecatini Chemical Trust, attempted to gain a foothold in the Rumanian petroleum industry. It succeeded in getting control of two small companies, Continental Petroliera and Industria Română Unione. They were a part of the Petrolina Joint-Stock Company, a small petroleum company with a main office in Ploesti which, as a result of the union with the two above-mentioned companies, was transferred to Bucharest.

Simultaneously with this, the ANIC Trust acquired the majority of the shares of the Xenia oil refineries in Ploesti which were then merged with the Petrolina Company, which thus became a large enterprise with its own refineries.

In 1939, the Compero Joint-Stock Company, with a capital of 25,000,000 lei and engaged in the sale of petroleum products, was

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formed with the participation of the Prahova Company. This company sold the products of the Prahova refineries and, after a short existence, was liquidated by merger with the Prahova Company.

Another enterprise, financed by Italian capital, was Societatea de Drumuri Italo-Romane (Italo-Rumanian Road Company), organized in 1923 with a capital of 10,000,000 lei, of which 5,000,000 lei were owned by the Italian senator, Piero Paricelli, Count di Lignano, a well-known Italian builder of roads and director of the Italian Paricelli Trust. This company obtained from the Ministry of Public Works of Romania a contract for the construction of a system of roads with a total length of 150 kilometers. The work was to have been completed within five years. The roads built by the company were to connect Turco-Severin with Alexandria through Craiova and Corbeia, and the capital of the country with Galatz, through Urziceni-Iuzen. Later, these roads were to be joined with the Yugoslav road system for the purpose of creating a strategic highway from the Adriatic to the Black Sea.

Societatea de Drumuri Italo-Romane concluded a "convention on technical cooperation" with the Paricelli Trust and with a Swiss group. The program of road work was carried out only to an insignificant extent.

In the transport field, Italian capital founded the Sinda Bosna Joint-Stock Company with a capital of 20,000,000 lei in which the Prahova Petroleum Company, the Rumanian branch of the Italian Fiat Trust, and the Rome firm, Societa Italiana di Navigazione Danubiana (Sinda), participated. The company acquired several launches and barges and undertook the transport of freight along the Danube. Its activity was limited, since it had to compete with the German

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monopoly on the Danube. Horatiu Comaniciu, one of the bosses of the Iron Guards, and later a well-known Panist, was on the administrative council of Sinaia Romana.

In 1941, the CINA Joint-Stock Company was formed for the export of grain and other agricultural products to Italy. Among the participating interests in this company were the Banatiana Sugar Factory, Federazione Italiana Consorzi Agrari di Roma, Distilleria di Saversere di Padova, the Saida Joint-Stock Company (Saida), and I. Ionescu-Streanu, leader of the National-Liberal Party, Minister for War and Defense, and later Minister of the Interior, and the Iron Guard. This company had a real monopoly in the export of grain and other agricultural products to Italy.

Italian capital also participated in the formation in 1941 of the Cinesat Joint-Stock Company which was designed to create a motion picture industry in Romania with the participation of the Italian trust, Ente Nazionale Industrie Cinematografiche. All that remained of this project, which was extremely costly to the Romanian state, was the fall of the Excelsior Theater which was rented for five years on terms highly unfavorable to the state.

Italian enterprises in Romania, although they enjoyed special privileges, did not develop to the extent that German capital did, as noted above. This situation is explained by the fact that, despite the Rome-Berlin axis, the German monopolies did not permit the expansion of the activity of Italian capital in Romania, which they considered as a country within the Hitler sphere of influence.

#### Income of the Trusts

Thanks to their well-timed "precautionary measures," the Anglo-American trusts did not suffer any losses during the German

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occupation other than those their enterprises underwent in air raids by Anglo-American aircraft. For the most part, they acclimated themselves rather easily with the situation created in Rumania by the Nazi occupation. Anxious only for good business and their profits, the trusts, without hesitation, sold oil to the Germans, although they knew that this oil would be used against England and its allies. Moreover, the oil controlled with Anglo-American capital demanded the expansion of the output of oil to Germany.

Thus, on 21 February, 1942, the Association of Oil Industries of Rumania presented a memorandum to General Petrescu, Minister of the National Economy, in which the industrialists complained that the Germans were not buying more petroleum products in Rumania, and requested that there be some take-away measures "which would increase the export of petroleum products," and proposed that the "German group purchase 100,000 tons of petroleum products." In order to make this proposal more palatable to the Germans, the industrialists agreed "to lower the price" of petroleum products by 10 percent.

It should be noted that this memorandum was signed by L. Paltinich, representative of German-Americans, together with representatives of Anglo-Rumania, Steaua Romana, Unirea, and others.

Moreover, even after the beginning of the war against the Soviet Union and the entry of the United States into the war, the companies controlled by the large international Anglo-American trusts and directed, as we have shown, by trusted persons of these trusts, went all out to increase the output of petroleum, although they knew that Rumanian oil was the basic source of supply for the Hitler army, air force, and fleet.

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Thus, Astra Romana increased the volume of drilling operations from 46,700 meters in 1941 to 124,117 meters in 1943, and production output from 1,229,500 tons in 1941 to 1,568,400 tons in 1943. Steaua Romana increased the volume of drilling operations from 23,400 meters in 1941 to 34,221 meters in 1943, and production output from 563,900 tons in 1941 to 870,300 tons in 1943. Unirea increased the volume of drilling work from 24,137 meters in 1941 to 31,431 meters in 1942, and in 1943, the drilling program was exceeded by 5 percent, and production output reached approximately 500,000 tons. In 1943, Franco-Americans expanded the program of exploitation drilling by 4 percent and the production totalled 370,000 tons.

In order to meet longer needs, the petroleum companies who initially increased their capital investments and installed new equipment. Thus, for example, the capital investment of Astra Romana increased, according to the annual reports, from 1,117,000 lei in 1941 to 12,221,000 lei in 1943; the capital investment of Steaua Romana increased from 1,374,000 lei to 4,433,000 lei; capital investment of Unirea was 4,140,000 lei and of Romano-Americans, 4,517,000 lei as of 31 December 1943.

The petroleum companies controlled by the larger international trusts made tremendous profits during the war. Naturally, these profits were not completely shown in the balanced accounts; rather, they were disguised and were dispersed in various items; nevertheless, the tremendous size of these profits is evident from the fact that the owners of the companies not only often distributed high dividends, bonuses and premiums, but they amortized completely or to a large extent the invested capital.

For example, Astra Romana as of 31 December 1943 had reserve and amortization funds totalling more than 14,000,000,000 lei and

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total capital investments of 12,500,000,000 lei, while every year it distributed large dividends (these dividends increased from 10 percent in 1940 to 12 percent in 1941 and 1942). Steaua Romana, with capital investments of approximately 4,500,000,000 lei, on 31 December 1943 had reserves and amortization funds of 5,000,000,000 lei, while the dividends paid out by it increased from 10 percent in 1941 to 12 percent in 1941 and 1942. Sirena, with capital investments of 4,500,000,000 lei, on 31 December 1943 had reserves and amortization funds of approximately 1,000,000,000 lei. Rompetrol Americana had reserves and amortization funds of 6,000,000,000 lei, which equalled almost the entire sum of its capital investments, while its net result for the year concerned 170,000,000 lei.

A similar situation prevailed in other enterprises controlled by large international trusts. Thus, for example, the Dacia plants in 1943 showed 20,000,000 lei in net profit in comparison with 10,000,000 lei in 1942 and 10,000,000 lei in 1941. The plants of Sibiu, Sirena, Sirena received in 1943 150,000,000 lei net profit as against 112,000,000 lei in 1942 and 121,000,000 lei in 1941. The capital invested in these plants was almost completely amortized: the automobile assembly plant of the Ford Romania Company in 1942 had a profit of 12,000,000 lei, while the capital investments in the plant (110,000,000 lei) were almost completely amortized; the Phoenix Industrial Oil Factory in 1941 paid a dividend of 8 percent and 10 percent in 1942, while its capital investments (200,000,000 lei) were for the most part already amortized; Carpatica paid a dividend of more than 20 percent, while its capital investments were for the most part amortized.

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On the whole, it was a profitable business for the joint-  
 stock companies controlled by the large landowners. These  
 landowners, however, did not have a monopoly on the land, and  
 were subject to a certain amount of control.

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